

# Union Calendar No. 377

106<sup>TH</sup> CONGRESS  
2D SESSION

# H. R. 4601

**[Report No. 106-673, Part I]**

To provide for reconciliation pursuant to section 213(c) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2000

Mr. FLETCHER (for himself, Mr. ARCHER, Mr. KASICH, Mr. TOOMEY, Mr. CRANE, Mr. SHAW, Mr. HERGER, Mr. CAMP, Mr. RAMSTAD, Mr. NUSSLE, Mr. SAM JOHNSON of Texas, Ms. DUNN, Mr. PORTMAN, Mr. ENGLISH, Mr. HAYWORTH, Mr. WELLER, Mr. MCINNIS, Mr. LEWIS of Kentucky, Mr. BLUNT, Mr. KUYKENDALL, Mr. DEMINT, Mr. GREEN of Wisconsin, and Mr. CHABOT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 12, 2000

Additional sponsors: Mrs. NORTHUP and Mr. GARY MILLER of California

JUNE 12, 2000

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JUNE 12, 2000

Referral to the Committee on the Budget extended for a period ending not later than June 12, 2000

JUNE 12, 2000

The Committee on the Budget discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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# A BILL

To provide for reconciliation pursuant to section 213(c) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Debt Reduction Rec-*  
5       *onciliation Act of 2000”.*

6       **SEC. 2. FINDINGS AND PURPOSE.**

7       *(a) FINDINGS.—The Congress finds that—*

8               *(1) fiscal discipline, resulting from the Balanced*  
9       *Budget Act of 1997, and strong economic growth have*  
10       *ended decades of deficit spending and have produced*  
11       *budget surpluses without using the social security sur-*  
12       *plus;*

13               *(2) fiscal pressures will mount in the future as*  
14       *the aging of the population increases budget obliga-*  
15       *tions;*

16               *(3) until Congress and the President agree to leg-*  
17       *islation that strengthens social security, the social se-*

(4) strengthening the Government's fiscal position through public debt reduction increases national savings, promotes economic growth, reduces interest costs, and is a constructive way to prepare for the Government's future budget obligations; and

8           (5) *it is fiscally responsible and in the long-term*  
9           *national economic interest to use an additional por-*  
10          *tion of the nonsocial security surplus to reduce the*  
11          *debt held by the public.*

12 (b) *PURPOSE.*—It is the purpose of this Act to—

(1) reduce the debt held by the public with the goal of eliminating this debt by 2013; and

15                   (2) decrease the statutory limit on the public  
16                   debt.

17 *SEC. 3. ESTABLISHMENT OF PUBLIC DEBT REDUCTION PAY-*  
18 *MENT ACCOUNT.*

19           (a) *IN GENERAL.*—Subchapter I of chapter 31 of title  
20 31, United States Code, is amended by adding at the end  
21 the following new section:

22 **“§3114. Public debt reduction payment account**

23       “(a) *There is established in the Treasury of the United*  
24 *States an account to be known as the Public Debt Reduction*

1 *Payment Account (hereinafter in this section referred to as*  
2 *the ‘account’).*

3       “(b) *The Secretary of the Treasury shall use amounts*  
4 *in the account to pay at maturity, or to redeem or buy*  
5 *before maturity, any obligation of the Government held by*  
6 *the public and included in the public debt. Any obligation*  
7 *which is paid, redeemed, or bought with amounts from the*  
8 *account shall be canceled and retired and may not be re-*  
9 *issued. Amounts deposited in the account are appropriated*  
10 *and may only be expended to carry out this section.*

11       “(c) *If the Congressional Budget Office estimates an*  
12 *on-budget surplus for fiscal year 2000 in the report sub-*  
13 *mitted pursuant to section 202(e)(2) of the Congressional*  
14 *Budget Act of 1974 in excess of the amount of the surplus*  
15 *set forth for that fiscal year in section 101(4) of the concur-*  
16 *rent resolution on the budget for fiscal year 2001 (House*  
17 *Concurrent Resolution 290, 106th Congress), then there is*  
18 *hereby appropriated into the account on the later of the date*  
19 *of enactment of this Act or the date upon which the Congres-*  
20 *sional Budget Office submits such report, out of any money*  
21 *in the Treasury not otherwise appropriated, for the fiscal*  
22 *year ending September 30, 2000, an amount equal to that*  
23 *excess. The funds appropriated to this account shall remain*  
24 *available until expended.*

1       “(d) *The appropriation made under subsection (c)*  
 2 *shall not be considered direct spending for purposes of sec-*  
 3 *tion 252 of Balanced Budget and Emergency Deficit Con-*  
 4 *trol Act of 1985.*

5       “(e) *Establishment of and appropriations to the ac-*  
 6 *count shall not affect trust fund transfers that may be au-*  
 7 *thorized under any other provision of law.*

8       “(f) *The Secretary of the Treasury and the Director*  
 9 *of the Office of Management and Budget shall each take*  
 10 *such actions as may be necessary to promptly carry out*  
 11 *this section in accordance with sound debt management*  
 12 *policies.*

13       “(g) *Reducing the debt pursuant to this section shall*  
 14 *not interfere with the debt management policies or goals*  
 15 *of the Secretary of the Treasury.”.*

16       (b) *CONFORMING AMENDMENT.—The chapter analysis*  
 17 *for chapter 31 of title 31, United States Code, is amended*  
 18 *by inserting after the item relating to section 3113 the fol-*  
 19 *lowing:*

*“3114. Public debt reduction payment account.”.*

20       **SEC. 4. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC**  
 21                               **DEBT.**

22       *Section 3101(b) of title 31, United States Code, is*  
 23 *amended by inserting “minus the amount appropriated*  
 24 *into the Public Debt Reduction Payment Account pursuant*  
 25 *to section 3114(c)” after “\$5,950,000,000,000”.*

1 **SEC. 5. OFF-BUDGET STATUS OF PUBLIC DEBT REDUCTION**  
 2 **PAYMENT ACCOUNT.**

3 *Notwithstanding any other provision of law, the re-*  
 4 *ceipts and disbursements of the Public Debt Reduction Pay-*  
 5 *ment Account established by section 3114 of title 31, United*  
 6 *States Code, shall not be counted as new budget authority,*  
 7 *outlays, receipts, or deficit or surplus for purposes of—*

8 *(1) the budget of the United States Government*  
 9 *as submitted by the President,*

10 *(2) the congressional budget, or*

11 *(3) the Balanced Budget and Emergency Deficit*  
 12 *Control Act of 1985.*

13 **SEC. 6. REMOVING PUBLIC DEBT REDUCTION PAYMENT AC-**  
 14 **COUNT FROM BUDGET PRONOUNCEMENTS.**

15 *(a) IN GENERAL.—Any official statement issued by the*  
 16 *Office of Management and Budget, the Congressional Budg-*  
 17 *et Office, or any other agency or instrumentality of the Fed-*  
 18 *eral Government of surplus or deficit totals of the budget*  
 19 *of the United States Government as submitted by the Presi-*  
 20 *dent or of the surplus or deficit totals of the congressional*  
 21 *budget, and any description of, or reference to, such totals*  
 22 *in any official publication or material issued by either of*  
 23 *such Offices or any other such agency or instrumentality,*  
 24 *shall exclude the outlays and receipts of the Public Debt*  
 25 *Reduction Payment Account established by section 3114 of*  
 26 *title 31, United States Code.*

1       (b) *SEPARATE PUBLIC DEBT REDUCTION PAYMENT*  
 2 *ACCOUNT BUDGET DOCUMENTS.*—*The excluded outlays and*  
 3 *receipts of the Public Debt Reduction Payment Account es-*  
 4 *tablished by section 3114 of title 31, United States Code,*  
 5 *shall be submitted in separate budget documents.*

6 **SEC. 7. REPORTS TO CONGRESS.**

7       (a) *REPORTS OF THE SECRETARY OF THE TREAS-*  
 8 *URY.*—(1) *Within 30 days after the appropriation is depos-*  
 9 *ited into the Public Debt Reduction Payment Account*  
 10 *under section 3114 of title 31, United States Code, the Sec-*  
 11 *retary of the Treasury shall submit a report to the Com-*  
 12 *mittee on Ways and Means of the House of Representatives*  
 13 *and the Committee on Finance of the Senate confirming*  
 14 *that such account has been established and the amount and*  
 15 *date of such deposit. Such report shall also include a de-*  
 16 *scription of the Secretary's plan for using such money to*  
 17 *reduce debt held by the public.*

18       (2) *Not later than October 31, 2000, and October 31,*  
 19 *2001, the Secretary of the Treasury shall submit a report*  
 20 *to the Committee on Ways and Means of the House of Rep-*  
 21 *resentatives and the Committee on Finance of the Senate*  
 22 *setting forth the amount of money deposited into the Public*  
 23 *Debt Reduction Payment Account, the amount of debt held*  
 24 *by the public that was reduced, and a description of the*

1 *actual debt instruments that were redeemed with such*  
2 *money.*

3       *(b) REPORT OF THE COMPTROLLER GENERAL OF THE*  
4 *UNITED STATES.—Not later than November 15, 2001, the*  
5 *Comptroller General of the United States shall submit a re-*  
6 *port to the Committee on Ways and Means of the House*  
7 *of Representatives and the Committee on Finance of the*  
8 *Senate verifying all of the information set forth in the re-*  
9 *ports submitted under subsection (a).*





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